

September 2, 2016

To the press:

Tadashi Katori
President and CEO
A2 Healthcare Corporation

Integration of Bell Medical Solutions, Inc.'s CRO business

A2 Healthcare Corporation (head office: Bunkyo-ku, Tokyo; President and CEO: Tadashi Katori; hereinafter referred to as “A2”) is pleased to announce that A2 has decided to integrate, as of January 1, 2017 (hereinafter “this integration”), the business to assist the development of drugs and medical devices (contract research organization, or CRO) owned by Bell Medical Solutions, Inc. (head office: Bunkyo-ku, Tokyo; President and CEO: Hayami Shimizu; hereinafter referred as “BMS”).

BMS is a subsidiary of Bell System 24 Holdings, Inc. (head office: Chuo-ku, Tokyo; Representative Director, President and CEO: Ichiro Tsuge; hereinafter referred to as “Bell System 24HD”), a group company of Itochu Corporation (head office: Minato-ku, President and CEO: Masahiro Okafuji; hereinafter referred to as “Itochu”), which is A2’s parent company. BMS was spun off and became an independent company in March 2012, and it has since been offering CRO business and contact center operations business specializing in the healthcare sector. Of these businesses, this integration will target BMS’ CRO business. In compensation for this integration, A2 will allocate 6.5% of A2’s shares to Bell System 24HD. As a result, the investment ratio in A2 will be 93.5% for Itochu and 6.5% for Bell System 24HD.

The business domain comprising the R&D and postmarketing surveillance of drugs, medical devices and regenerative medicine products, which make up A2’s key business operations, is seeing a growing demand for full-service CROs that possess sufficient resources to respond to the ever-increasing need for clinical trials, postmarketing surveillance and other operations. Under the circumstances, with this integration, A2 will expand its operational setup to comprise a total of 1,300 employees, and it will strengthen its business execution capabilities as a full-service CRO, such as through monitoring, data management, statistical analysis, etc. This will thereby meet its clients’ needs, which are becoming increasingly sophisticated and diverse. As a result, we are convinced that we will be a step closer to A2’s vision

of becoming a true partner for clients. We will continue to move forward to realize our corporate principle of “contributing to the development of drugs and healthcare, and to the enhancement of people’s QOL.”

<Future schedules>

Conclusion of an integration agreement: Early November 2016

Effective date of the integration: January 1, 2017

END